

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

ISABEL RUBINAS, and )  
IJR CORP., )  
 )  
Plaintiffs, )  
 )  
v. ) Case No.  
 )  
NICOLAS MADUROS, DIRECTOR, )  
CALIFORNIA DEPARTMENT OF )  
TAX & FEE ADMINISTRATION, )  
 )  
Defendant. )

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**Declaration of Isabel Rubinas**

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1. My name is Isabel Rubinas. I am over the age of 18. I am under no legal disability that would prevent me from offering the following testimony. I make this declaration on the basis of personal knowledge.
2. I own and operate a small eCommerce business, IJR Corp. d/b/a Lollipop Seeds, from my home in Glen Ellyn. Lollipop Seeds offers children's clothing. Primarily, I supply goods to Amazon's store via Amazon's Fulfilled by Amazon (FBA) program. The vast majority of my business is on Amazon.com. I also have my own website, [www.shoplollipopseeds.com](http://www.shoplollipopseeds.com), from which consumers can purchase goods directly, but I only had a few dozen such sales to California in 2020.
3. FBA works as follows. I propose a listing to Amazon—for example, children's pajamas. If Amazon chooses to accept the listing, Amazon will direct me where to ship the pajamas for Amazon to store them, and provide me with shipping instructions and a shipping label. Typically, Amazon directs me to ship items to a facility near Chicago

(e.g., Cicero), although sometimes Amazon directs me to ship to locations as far away as South Carolina or California or other states. Once Amazon takes custody of the goods, Amazon will move them around the country to various Amazon FBA facilities. In other words, just because Amazon tells me to ship an item to Amazon in one location does not mean it will stay there. I have no control over Amazon's movement of inventory.

4. I also have no control over how Amazon presents search results on Amazon.com, processes transactions with consumers, or ships FBA orders to consumers, whom Amazon deems Amazon's customers. Amazon handles those aspects of the sale directly and only remits payment to me after deducting Amazon's portion (profit, fees, etc.). Amazon also generally prevents me from contacting consumers directly so that Amazon can control the customer relationship. As you can see, FBA is a consignment model. I supply goods but have little to no control over what Amazon does with them once they enter Amazon's store.
5. In July 2019, the California Department of Fee & Tax Administration (CDTFA) contacted me in Illinois and stated that I was required to collect California's use tax on the sales of items—in Amazon's store—that Amazon stored in California. I trusted that CDTFA's explanation of the law was accurate, so I registered with the agency to collect use tax. I gathered various details about the sales at issue and provided them to CDTFA's agent, Shannon Hale. I paid the amounts the agency claimed were due for 2019 (over \$2,600), using my own money rather than money collected from consumers at the point of sale.
6. Based on Ms. Hale's direction, I also began collecting California use tax for sales on my website, even though sales on my website to California are well below California's

“*Wayfair* threshold” of \$500,000. In essence, California is penalizing me for using Amazon’s FBA program, and depriving me of the protections I am entitled to as a small business. The burden of tax collection and reporting is significant for a business of my size. I am not sure it is even worth it to maintain my own website at this rate.

7. Eventually, Ms. Hale informed me that I owed over \$10,000 in use taxes for sales on Amazon from 2017–2018—*i.e.*, before CDTFA contacted me. I explained to Ms. Hale that I did not know I was supposed to collect the taxes on those sales from consumers (*i.e.*, Amazon’s customers), that I had not collected those sums from consumers, and that I could not afford to pay that amount out of Lollipop Seeds. As of November 2020, my business was at a loss of approximately -\$1,700—plus I owe \$8,400 to one of my main vendors, among other obligations.
8. Ultimately, Ms. Hale and I lost touch during the pandemic. On December 1, 2020, Ms. Hale left me a voicemail (which I did not review at the time) stating that unless I agreed to a “payment plan” within three days, CDTFA would “proceed with further collection action.”
9. On December 19, 2020, I opened my mail and was horrified to find a notice from Chase Bank stating that they had frozen my Illinois bank account on orders from CDTFA.<sup>1</sup> On December 21, 2020 CDTFA then took \$2,367.56 from my Chase account.
10. To the best of my knowledge, other than Ms. Hale’s vague statement about “further collection action,” she and CDTFA did not give me notice that they would seize my Chase bank account and take my funds. Instead, I received a letter from CDTFA on

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<sup>1</sup> December 11, 2020 Chase Letter re Levy, attached as Exhibit 1.

January 2, 2021 saying that CDTFA “seeks to levy upon” an account the agency seized weeks earlier.<sup>2</sup>

11. In early January 2021, I received a letter from CDTFA dated December 29, 2020 stating that I owed \$10,224.08 in taxes, interest, penalties, and “other.”<sup>3</sup> CDTFA’s letter ignores the fact that CDTFA took over \$2000 from my Chase account more than a week before the date of that letter.
12. Not only is this situation causing me distress, CDTFA may destroy my business and livelihood. My business was down 75% in 2020 due to the pandemic as consumers cut discretionary spending. As I mentioned above, my business is operating at a loss—I cannot pay the \$10,000 CDTFA demands. I have various commercial financing obligations that I need the money in my Chase account to cover. For example, I owe Amazon for storage fees on January 15. When Amazon tries to draw the payment from my Chase account and finds the funds inaccessible, Amazon can seize my inventory and sell it for pennies on the dollar.
13. I barely survived in December: I had a loan payment due to Amazon on Christmas Day, which I had just enough funds in my Amazon.com sales account to cover; had I defaulted, Amazon would have seized my inventory then. Needless to say, that made a difficult Christmas season even more challenging.
14. I also owe vendors for spring inventory, with payments due between now and mid-January. I cannot order additional inventory to grow and keep my business going. Currently I am desperately selling inventory under cost to try and generate cash to keep the business alive.

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<sup>2</sup> CDTFA “Tax/Fee Debtor Copy” of Letter re Levy, attached as Exhibit 2.

<sup>3</sup> December 29, 2020 CDTFA Letter, attached as Exhibit 3.

15. My story was featured in an *LA Times* article on December 28, 2020, which was highly critical of CDTFA's actions.<sup>4</sup> Almost immediately, different CDTFA officials began calling me to "resolve" the issue.

16. I cannot keep going like this and will be forced to shut down soon. In other words, CDTFA's actions will likely be the end of my business.

17. This situation is causing financial distress to my family. I am unable to pay myself, and we are living paycheck-to-paycheck on my husband's income during a difficult time. The loss of my business will cause serious financial hardship.

18. I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 6<sup>th</sup>, 2021.

s/ Isabel Rubinas

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<sup>4</sup> *LA Times*, "California is Clobbering Small Businesses with a Retroactive Tax Grab" (December 28, 2020), <https://www.latimes.com/opinion/story/2020-12-28/california-online-sales-tax-retroactive-collection>.



PO Box 183164  
Columbus, OH 43218-3164

Questions?

1-866-578-7022

00080 COL 111 040 34620 NNNNNNNNNN CL2  
IJR CORP DBA LOLLIPOP SEEDS CORP



December 11, 2020



346531400104000080002000000020

**Important:** Federal/state law required us to place a hold on your Chase account(s), which may include safe deposit box(es)

Dear IJR CORP DBA LOLLIPOP SEEDS CORP:

We recently received the enclosed levy, which enforces a financial obligation you owe to a government agency. As a result, federal or state law required us to immediately place a hold on your Chase account(s). This means that you aren't able to use or withdraw any amount(s) less than or equal to the amount of the hold until the hold is released.

Date We Placed Hold	Account Number (Last Four Digits)	Amount of Hold*
12/11/2020		\$2367.56

\*The hold amount may be greater or less than the balance in your Chase accounts.

We know this situation is difficult because you can't access these funds in your account. Although we're not permitted to give you legal advice, we are providing some information in this letter to explain how your account is affected and to help you understand your options.

**Here's how this affects your account**

The following may apply based on your account type.

The amount that has a hold on it stays in your account, but you cannot use it for withdrawals, payments or any other reason.

Additionally, please note the following:

- If withdrawals are returned because your account doesn't have available funds, we may charge you Overdraft or Insufficient Funds Fee(s).
- We may have disconnected your Overdraft Protection service.
- We may charge you a Legal Processing Fee of \$75.00.

**Understanding your options**

You may have options available to access some funds or to have the hold on your account released. These options are outlined below.

**Getting your money back**

You may be able to reduce the amount of the hold. Federal and state laws protect certain money from being used to pay a levy, including:

- Social Security
- Supplemental Security Income (SSI)
- Veterans benefits

Depending on where you live, protected money may also include:

- Funds from public assistance (welfare)
- Alimony or child support
- Unemployment benefits
- Disability benefits
- Public or private pensions
- Workers' compensation benefits

These protections generally don't apply to business accounts. If you think your funds may be protected, contact the judgment creditor's attorney.

**Releasing the hold on your account(s)**

We can only release the hold on your account if we receive a written release of the levy signed by the issuer. In most situations, you're the only one who can ask the issuer of the levy to release your funds.

If you have questions or would like to request a written release of your funds, please call the issuer of the levy at 1-916-309-8936. If they agree to send us a written release, they can mail it to us at the address listed on the first page of this letter.

Otherwise, we're required by law to hold the funds in your account(s) until:

- We send the funds to the issuer according to its terms; or
- The hold expiration date, if applicable. If there's a hold expiration date, you'll see it on the enclosed levy. We recommend you review the levy carefully.

**Getting legal advice**

If you need legal advice, you should consult an attorney. If you're unable to afford a private attorney, you can visit the Legal Services Corporation's website at [lsc.gov](http://Lsc.gov) to find out where to go in your area for help.

**We're here to help**

If you have questions, please call us at 1-866-578-7022. We're here to help you Monday through Friday from 8 a.m. to 9 p.m. and Saturday from 8 a.m. to 7 p.m. Eastern Time.

Sincerely,

*Steven J. Criswell*

Steven J. Criswell  
Executive Director  
Customer Service

Enclosure

OL2



## NOTICE OF LEVY

Under Revenue and Taxation Code Sections: 6703, 8957, 30315,  
32397, 40155, 41123.5, 43444.2, 45605, 46406, 50136, 55205, 60407

State of California  
CALIFORNIA DEPARTMENT OF TAX  
AND FEE ADMINISTRATION

TO THE PERSON NOTIFIED:

CDTFA ACCOUNT NUMBER(S): 

COURT ORDERS AND LEVIES DEPT  
JPMORGAN CHASE BANK N.A.  
700 KANSAS LANE RCO CENTRALIZED MAIL MAIL  
CODE LA4-7200  
MONROE LA 71203



3465314001040000080004000000020

**AMOUNT DUE: \$10,224.08**

Monthly Interest Rate: 0.50%

Unpaid Tax Principal: \$7,251.00

Date of Next Interest Accrual: January 1 2021

Additional Interest to be Accrued: \$36.25



The California Department of Tax and Fee Administration (CDTFA) seeks to levy upon property in which the tax/fee debtor has an interest and apply it to the satisfaction of a tax/fee liability, as shown above.

**Identification of Tax/Fee Debtor (any or all of the named parties):**

IJR CORP  
Dba: LOLLIPOP SEEDS

**Possible address(es):**  


**The property to be levied upon is described as:**

All monies, debts, credits, and other personal property in your possession or under your control, belonging to the, above-named tax debtor

You are notified in the capacity of a financial institution.

You must fully comply with the levy or complete the reverse side and mail or deliver this notice to the (CDTFA) within 10 days after service. You should make a copy of your response for your records, as needed.

196

00009080999

**RETURN RESPONSE TO:**

Notice of Levy was mailed on: December 8, 2020  
Letter ID: L0009108367

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION  
3321 POWER INN RD, STE 130 SACRAMENTO, CA 95826-3893

Shannon Hale

**REPRESENTATIVE FOR LEVYING OFFICER**  
TELEPHONE: 1-916-309-8936

Front

MEMORANDUM OF GARNISHEE

Notice to person SERVED with Notice of Levy

Unless you have fully complied with the levy, this Memorandum of Garnishee must be completed and mailed or delivered to the CDTFA within 10 days after service of the levy. FAILURE TO COMPLETE AND RETURN THIS FORM MAY RENDER YOU LIABLE FOR THE COSTS AND ATTORNEY'S FEES INCURRED IN OBTAINING THE REQUIRED INFORMATION (CCP701.030)

The Memorandum of Garnishee does not apply to garnishment of earnings.

1. Remittance is enclosed in the amount of \$ \_\_\_\_\_ which was withheld from the tax/fee debtor on \_\_\_\_\_

2. The last known address of the tax/fee debtor is:

3. If you will not deliver to the levying officer any property levied upon, describe the property and the reason for not delivering it:

4. Describe any property of the tax/fee debtor not levied upon that is in your possession or under your control:

5. If you owe money to the tax/fee debtor which you will not pay to the levying officer, describe the amount and terms of the obligation and the reason for not paying it to the levying officer:

6. Describe the amount and terms of any obligation owed to the tax/fee debtor that is levied upon, but not yet due and payable:

7. Describe the amount and terms of any obligation owed to the tax/fee debtor that is not levied upon:

8. Describe any claims and rights of other persons to the property or obligation levied upon that are known to you and the names and addresses of the other persons:

If you need more space to provide the information required by this notice, you may attach additional pages.  
Total number of pages attached: \_\_\_\_\_

**DECLARATION**

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct:

SIGNATURE	DATE
TYPE OR PRINT NAME	TELEPHONE NUMBER
FOR CDTFA USE ONLY	
PERSON NOTIFIED JPMORGAN CHASE BANK N.A. 700 KANSAS LANE RCO CENTRALIZED MAIL, MAIL CODE LA4-7200 MONROE LA 71203	
REPRESENTATIVE FOR LEVYING OFFICER Shannon Hale Western States Office	DATE December 8, 2020

STATE OF CALIFORNIA



CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION  
3321 POWER INN RD, STE 130 SACRAMENTO, CA 95826-3893  
1-916-309-8936  
[www.cdtfa.ca.gov](http://www.cdtfa.ca.gov)

GAVIN NEWSOM  
Governor

YOLANDA RICHARDSON  
Secretary, Government Operations Agency

NICOLAS MADUROS  
Director

COURT ORDERS AND LEVIES DEPT  
JPMORGAN CHASE BANK N.A.  
700 KANSAS LANE RCO CENTRALIZED MAIL, MAIL  
CODE LA4-7200  
MONROE LA 71203

Letter Date: December 8, 2020  
Letter ID: L0009108367



34653160016400800003000000020



Please cut along the line and return the bottom portion with your payment.

CDTFA-425-LA REV 8 (7-17)  
CDTFA-5000 (8-17)

PAYMENT VOUCHER

Federal Employer ID: 46-0868523  
Voucher Number: 441103621



CDTFA USE ONLY

L0009108367

Amount Due  
Upon Receipt: \$10,224.08

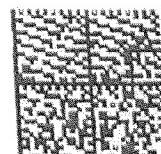
Enter amount paid

\$

0009080999 195

Make check payable and send with the voucher to:  
California Department of Tax and Fee Administration  
3321 POWER INN RD STE 130  
SACRAMENTO CA 95826-3893  
or visit [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov) to pay right now.  
COURT ORDERS AND LEVIES DEPT  
JPMORGAN CHASE BANK N.A.  
700 KANSAS LANE RCO CENTRALIZED MAIL, MAIL  
CODE LA4-7200  
MONROE LA 71203

Please write your Account number and tax period end date on your check.





CDTFA-425-LA (S1F) REV. 6(4-16)  
**NOTICE OF LEVY**

Received 1/2/21

State of California  
CALIFORNIA DEPARTMENT OF TAX  
AND FEE ADMINISTRATION

Under Revenue and Taxation Code Sections: 6703, 8957, 30315,  
32387, 40155, 41123.5, 43444.2, 45605, 46406, 50136, 55205, 60407

TO THE PERSON NOTIFIED:

CDTFA ACCOUNT NUMBER(S): 

JPMORGAN CHASE BANK N.A.  
700 KANSAS LANE RCO CENTRALIZED MAIL: MAIL  
CODE LA4-7200  
MONROE LA 71203

**TAX/FEE DEBTOR  
COPY**

**AMOUNT DUE: \$10,224.08**

Monthly Interest Rate: 0.50%

Unpaid Tax Principal: \$7,251.00

Date of Next Interest Accrual: January 1, 2021

Additional Interest to be Accrued: \$36.25

The California Department of Tax and Fee Administration (CDTFA) seeks to levy upon property in which the tax/fee debtor has an interest and apply it to the satisfaction of a tax/fee liability, as shown above.

**Identification of Tax/Fee Debtor (any or all of the named parties):**

IJR CORP  
Dba: LOLLIPOP SEEDS

*Possible address(es):*  


FEIN: 

**The property to be levied upon is described as:**

All monies, debts, credits, and other personal property, in your possession or under your control, belonging to the above-named tax debtor.

You are notified in the capacity of a financial institution.

You must **fully** comply with the levy or complete the reverse side and mail or deliver this notice to the (CDTFA) within **10 days** after service. You should make a copy of your response for your records, as needed.

*Please read the enclosed Notice of Levy - Information Sheet*

RETURN RESPONSE TO:

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION  
3321 POWER INN RD, STE 130 SACRAMENTO, CA 95826-3893

Notice of Levy was mailed on: December 8, 2020  
Letter ID: L0009197771

Shannon Hale

REPRESENTATIVE FOR LEVYING OFFICER  
TELEPHONE: 1-916-309-8936

Rubinas  
Declaration Ex. 2



STATE OF CALIFORNIA

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION  
3321 POWER INN RD, STE 130 SACRAMENTO, CA 95826-3893  
1-916-309-8936  
[www.cdtfa.ca.gov](http://www.cdtfa.ca.gov)

GAVIN NEWSOM  
Governor

YOLANDA RICHARDSON  
Secretary, Government Operations Agency

NICOLAS MADUROS  
Director

IJR CORP



Letter Date:  
Letter ID:

December 18, 2020  
L0009197771

The levy document printed on the reverse side was served on the person indicated. The copy is being provided to you according to section 700.010 of the California Code of Civil Procedure.

Please direct any questions or concerns you may have regarding the levy to the California Department of Tax and Fee Administration (CDTFA) office identified on the levy document.

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION



0009197771 01

FIRST CLASS



STATE OF CALIFORNIA



CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION  
P.O. BOX 942879, SACRAMENTO, CA 94279-0001  
1-800-400-7115 • FAX 1-916-928-6241  
[www.cdtfa.ca.gov](http://www.cdtfa.ca.gov)

GAVIN NEWSOM  
Governor

YOLANDA RICHARDSON  
Secretary, Government Operations Agency

NICOLAS MADUROS  
Director

IJR CORP

Letter Date:  
Letter ID:

December 29, 2020  
L0009363160

## Statement of Account

### Why we are contacting you:

The California Department of Tax and Fee Administration (CDTFA) records show that you have an outstanding balance for the account(s) and reporting period(s) shown below.

This is a summary of tax/fee/surcharge/assessment, interest, and penalties. A detailed listing of amounts due is included with this letter. Payment is due immediately for any amount not under appeal or protection of the bankruptcy court. These liabilities may have been previously assessed against you. This statement is not an assessment of tax/fee/surcharge/assessment, penalties, or interest that you can appeal.

### PAYMENT OPTIONS

You must pay in full unless you are in a payment plan for the amounts listed. Payments can be made online at [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov) and select *Make a Payment*. If you are paying by check, please write your account number and Letter ID (shown above), on the check and include the attached voucher with your payment. Keep the original notice for your records. Make your check payable to the California Department of Tax and Fee Administration and mail to P.O. Box 942879, Sacramento, CA 94279-7072. If you need additional help, please call the telephone number listed above.

### COLLECTION ACTION

Collection action may be taken. To help you understand CDTFA collection procedures, please visit [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov) and download publication 54, *Collection Procedures*.



0L9363160 01

Please cut along the line and return the bottom portion with your payment.

CDTFA-1210-STA REV. 2 (9-20)  
CDTFA-5000 (8-17)

### PAYMENT VOUCHER



Federal Employer ID: [REDACTED]  
Voucher Number: 443081221

CDTFA USE ONLY

L0009363160

Amount Due  
Upon Receipt: \$10,224.08

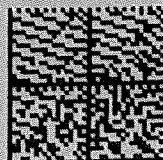
Enter amount paid

\$

Rubinas  
Declaration Ex. 3

IJR CORP

Please write your Account number and tax period end date on your check.



Front

**Sales and Use Tax**  
**Account Number: 241-928448**

<b>Period Begin:</b> 01-Jan-2017	<b>Period End:</b> 31-Dec-2017					
<b>Notice Type</b>	<b>Tax</b>	<b>Interest</b>	<b>Penalty</b>	<b>Other</b>	<b>Credit</b>	<b>Balance</b>
Return	2,621.00	517.65	262.10	570.00	0.00	3,970.75
<b>Period Begin:</b> 01-Jan-2018	<b>Period End:</b> 31-Dec-2018					
<b>Notice Type</b>	<b>Tax</b>	<b>Interest</b>	<b>Penalty</b>	<b>Other</b>	<b>Credit</b>	<b>Balance</b>
Return	4,630.00	590.33	463.00	570.00	0.00	6,253.33
<b>Account Totals</b>	<b>\$7,251.00</b>	<b>\$1,107.98</b>	<b>\$725.10</b>	<b>\$1,140.00</b>	<b>\$0.00</b>	<b>\$10,224.08</b>

Grand Total: \$10,224.08